

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission	:	
On Its Own Motion	:	
-vs-	:	
Central Illinois Light Company,	:	05-0111
d/b/a AmerenCILCO	:	
	:	
Reconciliation of revenues	:	
collected under the EPA Charge	:	
with actual costs.	:	

ORDER

By the Commission:

In 1992, the Environmental Protection Act ("EP Act"), 415 ILCS 5/1 et seq., was amended to create the Clean Air Act Permit Program, 415 ILCS 5/39.5. The EP Act, as amended, authorized the Illinois Environmental Protection Agency to assess an annual fee of \$18.00 per ton, but not to exceed \$250,000 per source, for the allowable emissions of all regulated air pollutants. Section 9-220.1 was added to the Public Utilities Act ("Act"), 220 ILCS 5/1-101 et seq., in 1992 to allow any electric public utility to file a separate tariff designed to recover fees paid under subsection 18 of Section 39.5 of the EP Act. Central Illinois Light Company d/b/a AmerenCILCO ("CILCO") filed such a tariff ("EPA Charge") in 1995. That tariff is identified as "Rider EPA" and the rider is part of CILCO's electric tariff.

On February 24, 2005, the Illinois Commerce Commission ("Commission") entered an Order Commencing Reconciliation Proceeding in accordance with the requirements of Section 9-220.1 of the Act. The order directed CILCO to present evidence in this docket at a public hearing to show the reconciliation of amounts collected under the Rider EPA with the amounts properly disbursed by it under subsection 18 of Section 39.5 of the EP Act. Notice of the filing of CILCO's testimony and exhibits in this proceeding was posted in CILCO's business offices and published in various newspapers and publications of general circulation in CILCO's electric and gas service territories, all in accordance with the requirements set forth in 83 Ill. Adm. Code 255 and in compliance with the Commission's February 24, 2005 order in this proceeding.

Pursuant to proper legal notice, hearings were held in this matter before a duly authorized Administrative Law Judge of the Commission at its offices in Springfield, Illinois, on May 10 and July 13, 2005. Appearances were entered by counsel on behalf of CILCO and by Dianna Hathhorn on behalf of Commission Staff ("Staff"). Ms. Hathhorn is an accountant in the Accounting Department of the Financial Analysis

Division of the Commission's Public Utilities Bureau. Both she and Leonard Mans, the Managing Supervisor of General Ledger and Fuel Accounting within the Controller's Function of Ameren Services Company,¹ offered testimony.

Mr. Mans testified that during the reconciliation period ending December 31, 2004, CILCO collected revenues of \$41,697 and refunded \$36,814 to its customers. When the excess revenues collected during the current reconciliation period are considered with an under-recovery experienced during the 2003 reconciliation (Docket No. 04-0113) there remains a cumulative under-recovery of \$1,645. Mr. Mans stated that this under-recovery was written off to expense in December 2004. He added that CILCO plans no further activity under Rider EPA. As noted in Docket No. 04-0113, CILCO transferred its power plants to a subsidiary and will no longer be using Rider EPA to collect the fees from its customers. In Docket No. 04-0521, the Commission approved rate schedules that revised tariffs to provide the mechanism to either refund or surcharge customers for any over-recoveries or under-recoveries to be determined under Rider EPA and to eliminate Rider EPA.

Ms. Hathhorn testified that she found no reason to object to CILCO's reconciliation of revenues collected under the EPA Charge with actual costs, and recommended that the Commission accept CILCO's reconciliation reflected in AmerenCILCO Exhibit 1.1. Ms. Hathhorn also recommended that CILCO make a compliance filing to cancel Rider EPA and eliminate all other tariff references thereto. At the evidentiary hearing in this matter, CILCO agreed to make such a filing within ten days of entry of the Commission's order.

The Commission, having considered the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) CILCO is a corporation engaged in transmission and distribution of electricity and in the distribution of gas to the public in Illinois and is a public utility as defined in the Act and until October 2003, was engaged in the generation of electricity within the State of Illinois;
- (2) the Commission has jurisdiction over CILCO and the subject matter herein;
- (3) the statements of fact set forth in the prefatory portion of this Order are supported by the evidence in the record and are hereby adopted as findings of fact;
- (4) the evidence shows that for calendar year 2004, CILCO has satisfactorily reconciled amounts collected under the EPA Charge in Rider EPA with the amounts properly disbursed by it under subsection 18 of Section 39.5 of the EP Act; CILCO experienced a cumulative under-recovery of \$1,644.25

¹ Ameren Services Company is a subsidiary of Ameren Corporation and provides various services to other subsidiaries of Ameren Corporation, which includes CILCO.

as of December 31, 2004, which CILCO has written off as an expense;
and

- (5) CILCO should be instructed to make a compliance filing discontinuing Rider EPA and all tariff references thereto within ten days of entry of this Order.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the reconciliation submitted by Central Illinois Light Company d/b/a AmerenCILCO of the amounts collected under the EPA Charge with the amounts properly disbursed by it under subsection 18 of Section 39.5 of the Environmental Protection Act, as summarized above, is hereby approved.

IT IS FURTHER ORDERED that Central Illinois Light Company d/b/a AmerenCILCO comply with Finding (5).

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Act and 83 Ill. Adm. Code 200.800, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this 17th day of August, 2005.

(SIGNED) EDWARD C. HURLEY

Chairman